

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF  
SANDY VALLEY WATER DISTRICT

) CASE NO.  
) 98-217

O R D E R

IT IS HEREBY ORDERED that:

1. The parties shall, within 10 days of the date of this Order, submit written memoranda on the following issues:

a. Where a water district seeks to adjust its rates, pursuant to KRS 278.015, to reflect increases in the rate charged by its wholesale water supplier, must the Commission apportion the increase to all customers?

b. (1) Where a water district seeks to adjust its rates, pursuant to KRS 278.015, to reflect increases in the rate charged by its wholesale water supplier, may the Commission discriminate in its allocation of the increase to customer classes?

(2) If yes, what bases may the Commission reasonably discriminate in its allocation of the increase?

c. Where a water district which is supplied by more than one water supplier seeks to adjust its rates, pursuant to KRS 278.015, to recover increases in the rate charged by one of its wholesale suppliers, may the Commission take into account the source of water used to supply a particular customer in determining whether the rates charged to that customer should be adjusted to reflect the wholesale supplier's change in rates?

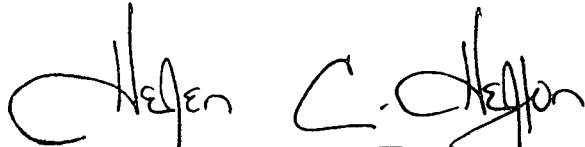
2. Upon submission of the parties' memoranda or 10 days from the date of this Order, whichever occurs first, this case shall stand submitted for decision.

Done at Frankfort, Kentucky, this 15th day of June, 1998.

PUBLIC SERVICE COMMISSION

  
For the Commission

ATTEST:

  
Executive Director